



BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS^{1,2,3}, NOVEMBER 2022

In November 2022, **the total business climate indicator**⁴ increases by 3.5 percentage points in comparison with the previous month (Annex, Figure 1) as a growth of the indicator is registered in all observed sectors - industry, construction, retail trade and in services.

Industry. The composite indicator ‘business climate in industry’ increases by 0.8 percentage points (Annex, Figure 2), which is due to the more favourable industrial entrepreneurs’ assessments and expectations about the business situation of the enterprises. Their forecasts about the production activity over the next 3 months are also improved (Annex, Figure 3).

The uncertain economic environment and shortage of labour remain the main obstacles for the activity of the enterprises, although in the last month a decrease of their negative influence is reported (Annex, Figure 4).

The managers’ expectations about the selling prices in the industry over the next 3 months are in a direction of an increase (Annex, Figure 5).

Construction. In November, the composite indicator ‘business climate in construction’ increases by 2.2 percentage points (Annex, Figure 6). The construction entrepreneurs’ assessments about the present business situation of the enterprises are improved, as their expectations over the next 6 months are favourable. At the same time, the inquiry registers certain increase of the new orders inflow over the last month (Annex, Figure 7).

The most serious problems for the business development continue to be the uncertain economic environment, costs of materials and shortage of labour (Annex, Figure 8).

As regards the selling prices in construction, 49.4% of the managers foresee them to increase over the next 3 months.

Retail trade. The composite indicator ‘business climate in retail trade’ increases by 8.7 percentage points (Annex, Figure 9), which is due to the optimistic retailers’ assessments and expectations about the business

¹ Since July 2010, the NSI has started publishing the business surveys data according to the new Classification of Economic Activities (NACE.BG 2008) (NACE Rev. 2). All of the time series have been recalculated according to the Classification and are comparable throughout time.

²  Since May 2002, all business surveys have been co-financed by the NSI and the European Commission according to the agreement signed between these two institutions. NSI has undertaken to conduct the surveys according to the Harmonized EU Programme. Any notice or publication of NSI reflects the author’s view, and the Commission is not liable for any use that may be made of the information contained therein.

³ The replies to questions from the inquiries are presented in a three-option ordinal scale of the following type: ‘up’, ‘unchanged’, ‘down’ or ‘above normal’, ‘normal’, and ‘below normal’. The balances of assessments are calculated as a difference of the relative shares of extreme variants of answers. **The Business climate indicator** is a geometric mean of balances of assessments of the present business situation and the expected business situation of enterprises in the next 6 months.

⁴ The total Business Climate Indicator is a weighted average of four branch business climate indicators in: industry, construction, retail trade and service sector. The last indicator of the business climate in the service sector has been included in the total time series since May 2002.



situation of the enterprises. Their forecasts about the volume of sales (Annex, Figure 10) and the orders placed with suppliers over the next 3 months are also improved.

The main factors limiting the activity in the sector remain the uncertain economic environment, competition in the branch and insufficient demand, as in the last month strengthening of their negative impact is observed (Annex, Figure 11).

The retailers' assessments about the selling prices in the last month are in a direction of an increase, as 31.3% of the managers foresee them to continue to rise over the next 3 months.

Service sector¹. In November, the composite indicator 'business climate in service sector' increases by 5.3 percentage points (Annex, Figure 12) as a result of the favourable managers' assessments and expectations about the business situation of the enterprises. Their opinions about the present and expected demand for services are also positive (Annex, Figure 13).

The most serious difficulties for the business continue to be connected with the uncertain economic environment, shortage of labour and competition in the branch (Annex, Figure 14).

As regards the selling prices in the service sector, the managers' forecasts are for certain increase over the next 3 months (Annex, Figure 15).

¹ Excl. trade.

Annex

Figure 1. Business climate - total

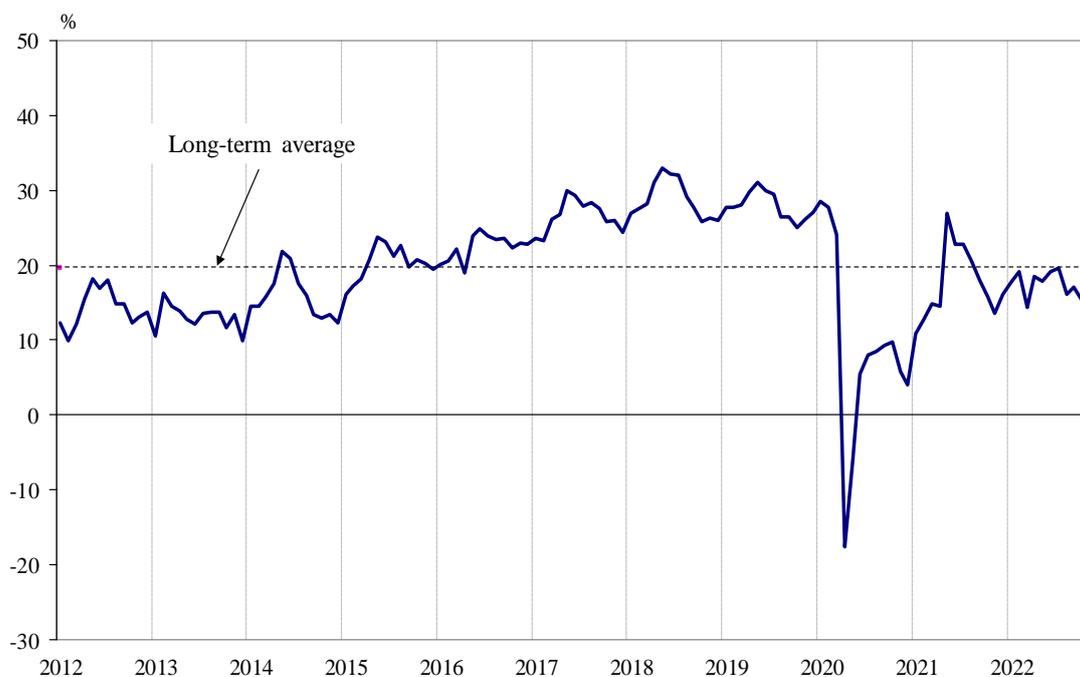


Figure 2. Business climate in industry

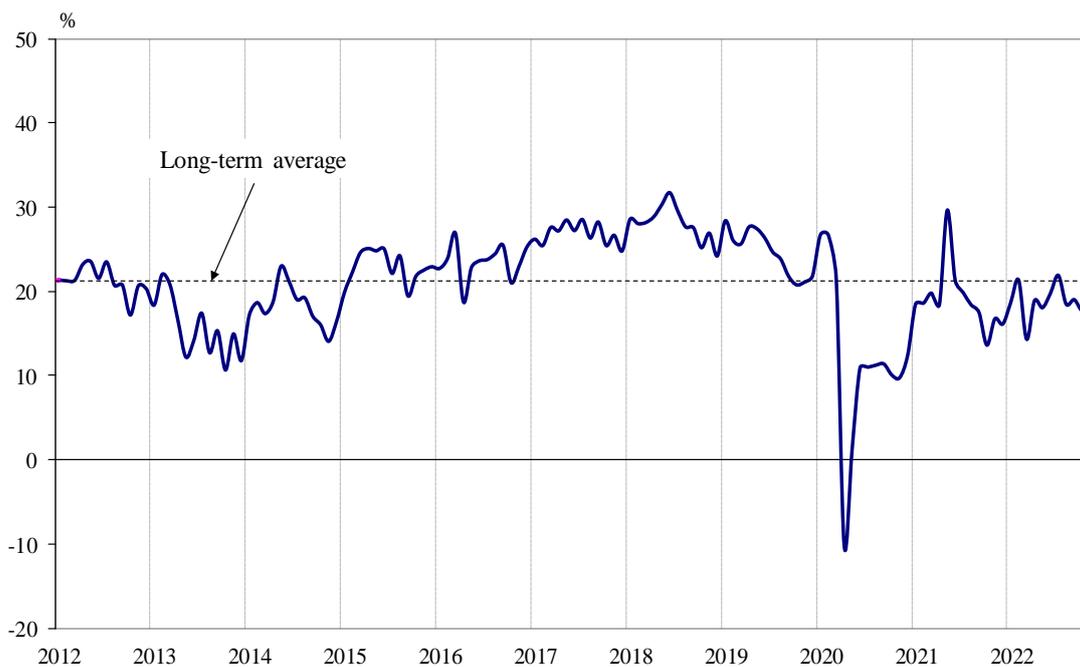


Figure 3. Expected production activity in industry over the next 3 months

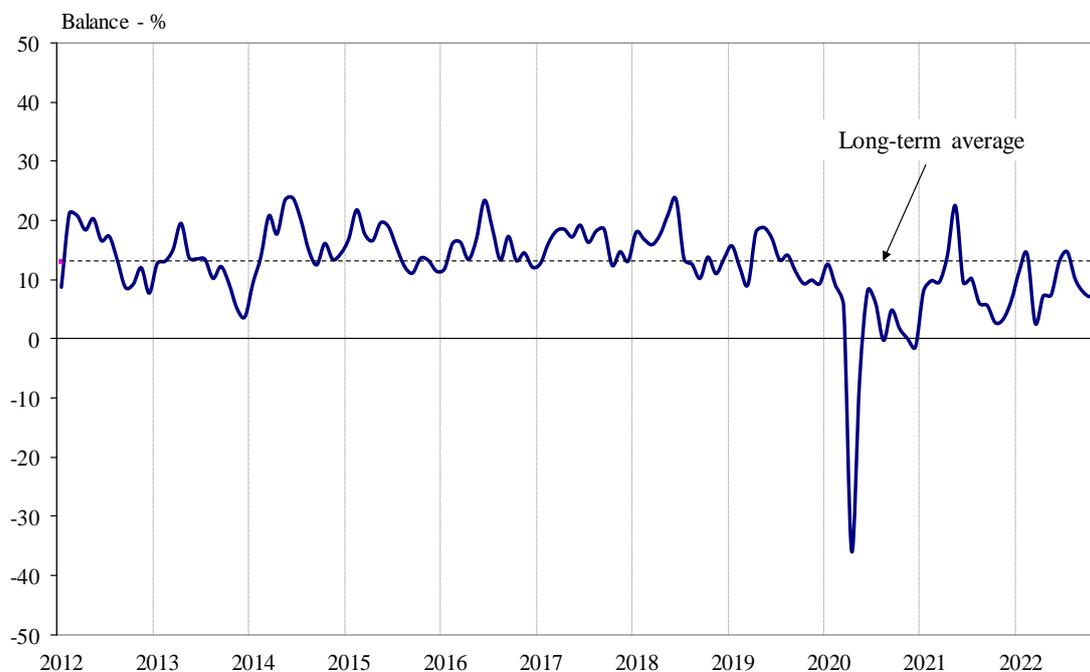


Figure 4. Limits to production in industry (Relative share of enterprises)

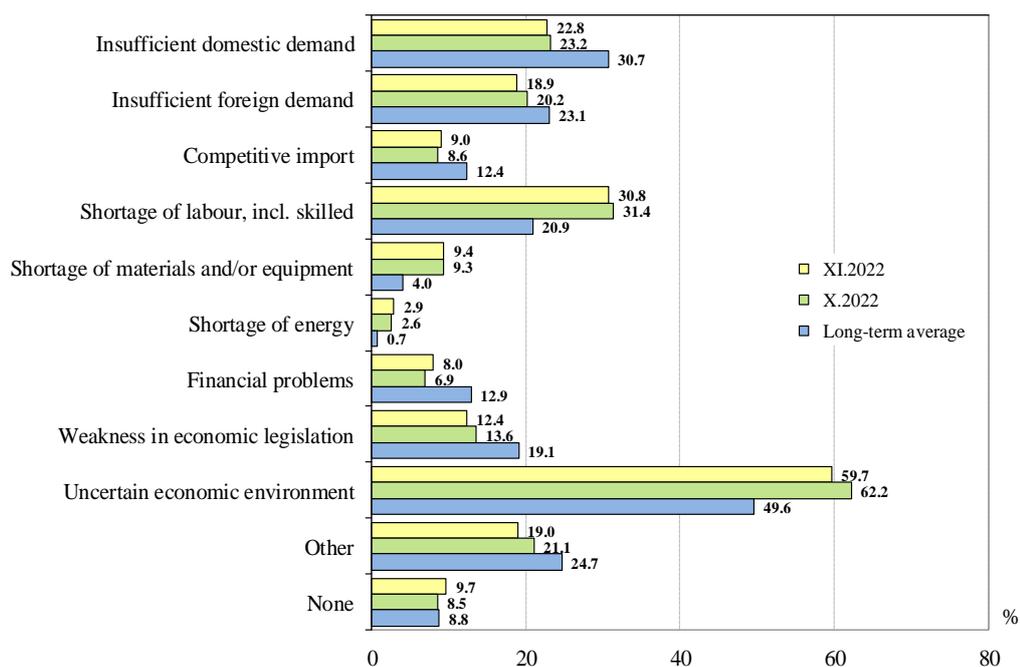


Figure 5. Selling prices expectations in industry over the next 3 months

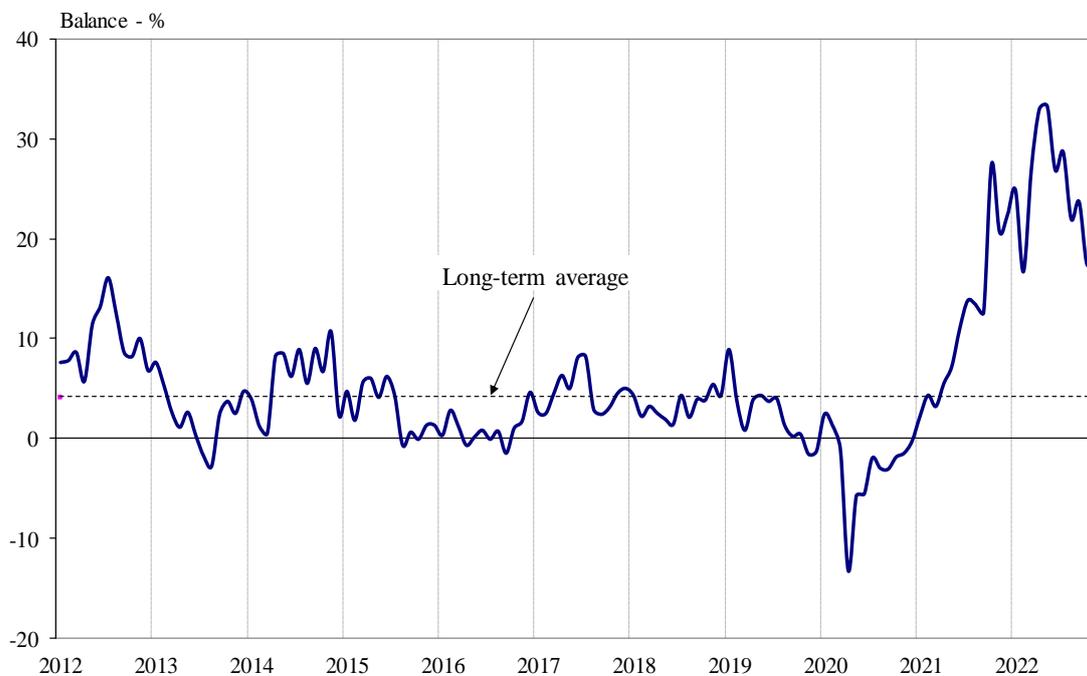


Figure 6. Business climate in construction

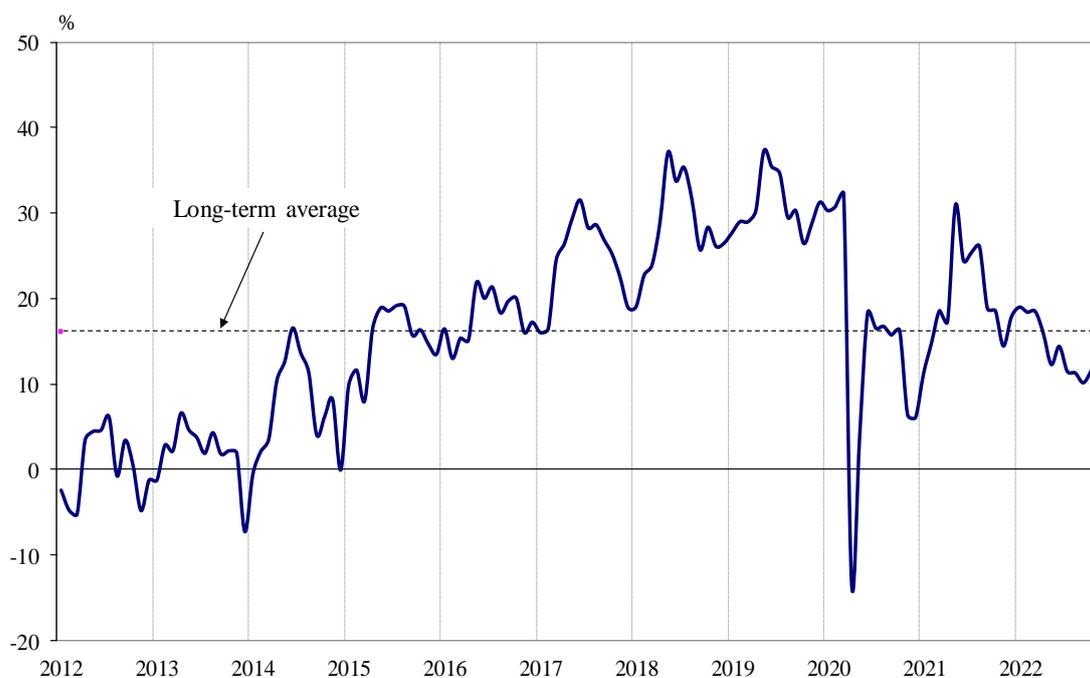
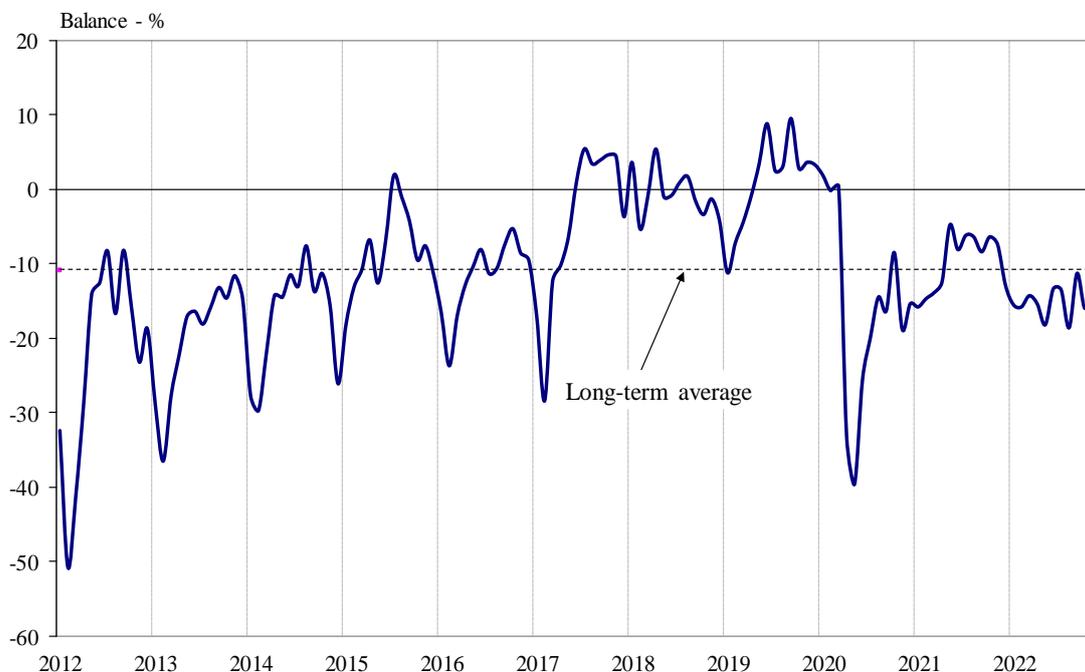


Figure 7. New orders inflow in construction



**Figure 8. Limits to construction activity
(Relative share of enterprises)**

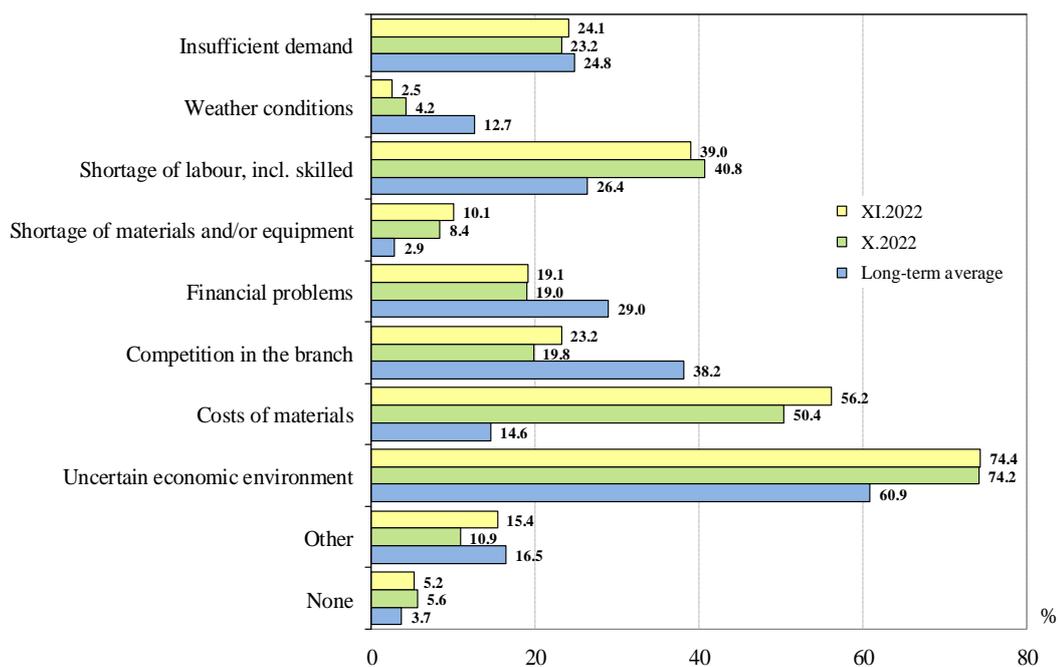


Figure 9. Business climate in retail trade

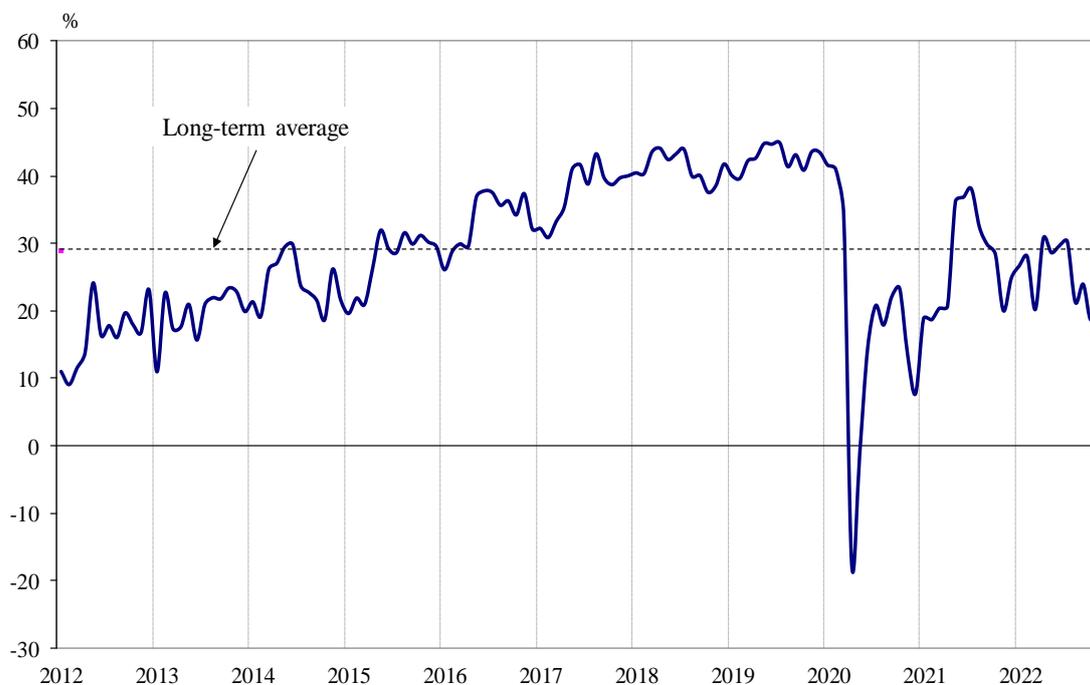


Figure 10. Sales expectations in retail trade over the next 3 months

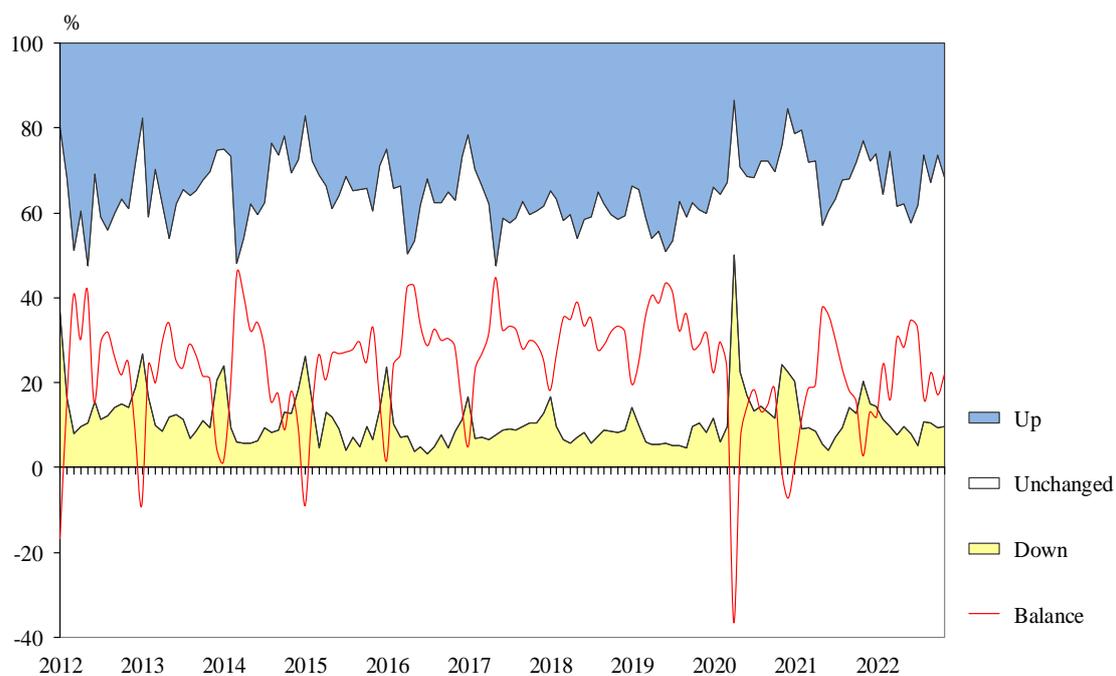


Figure 11. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

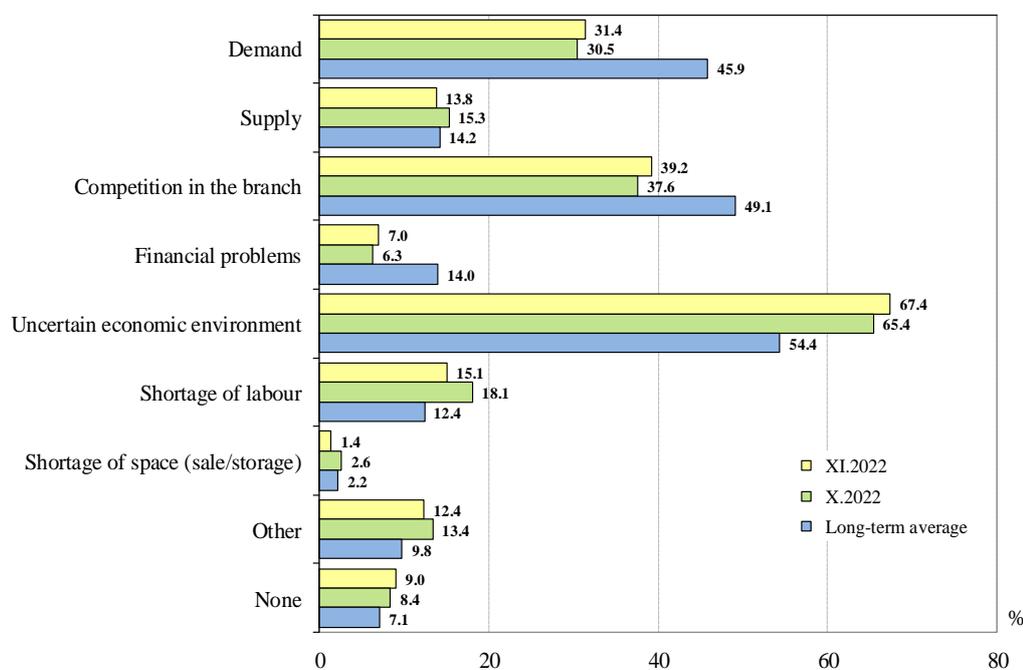


Figure 12. Business climate in service sector

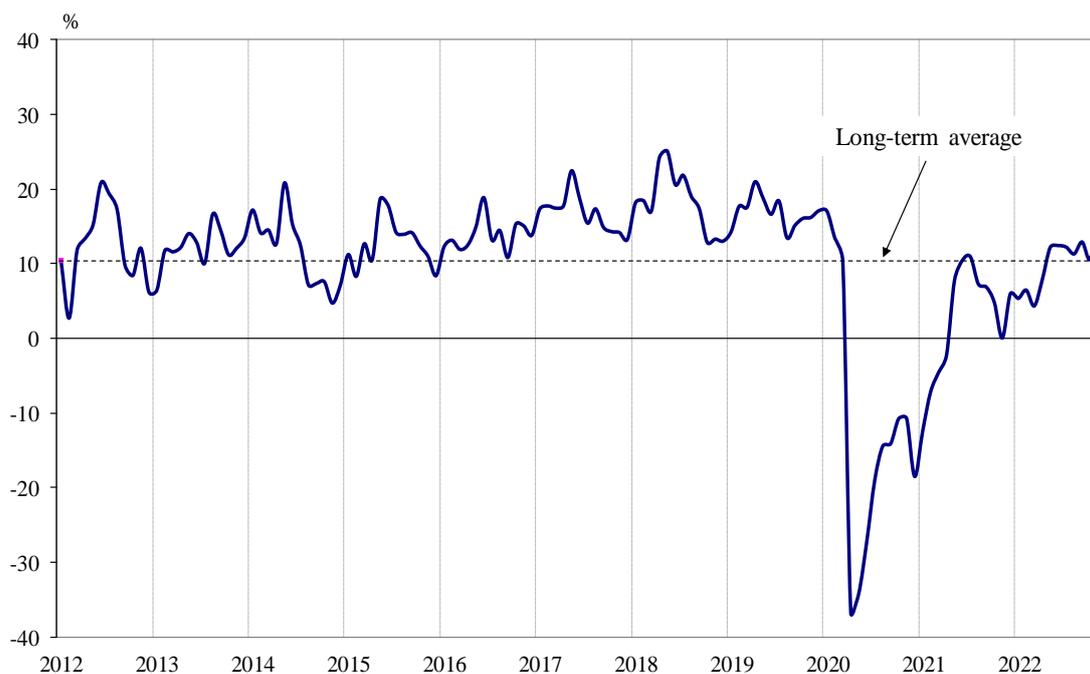


Figure 13. Expected demand in service sector over the next 3 months

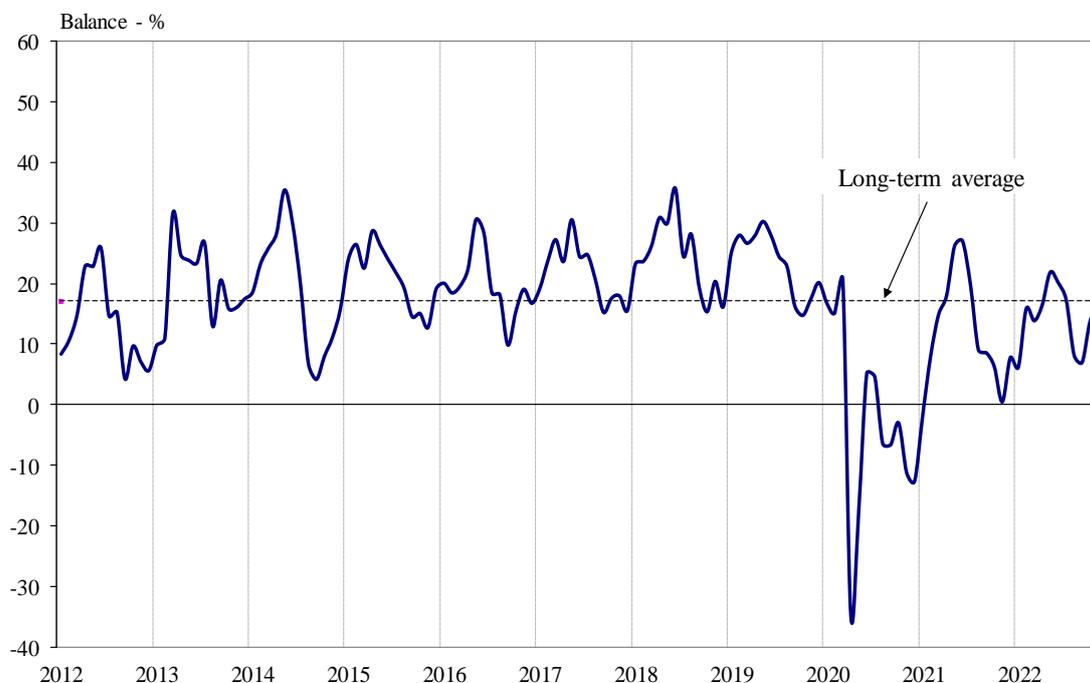
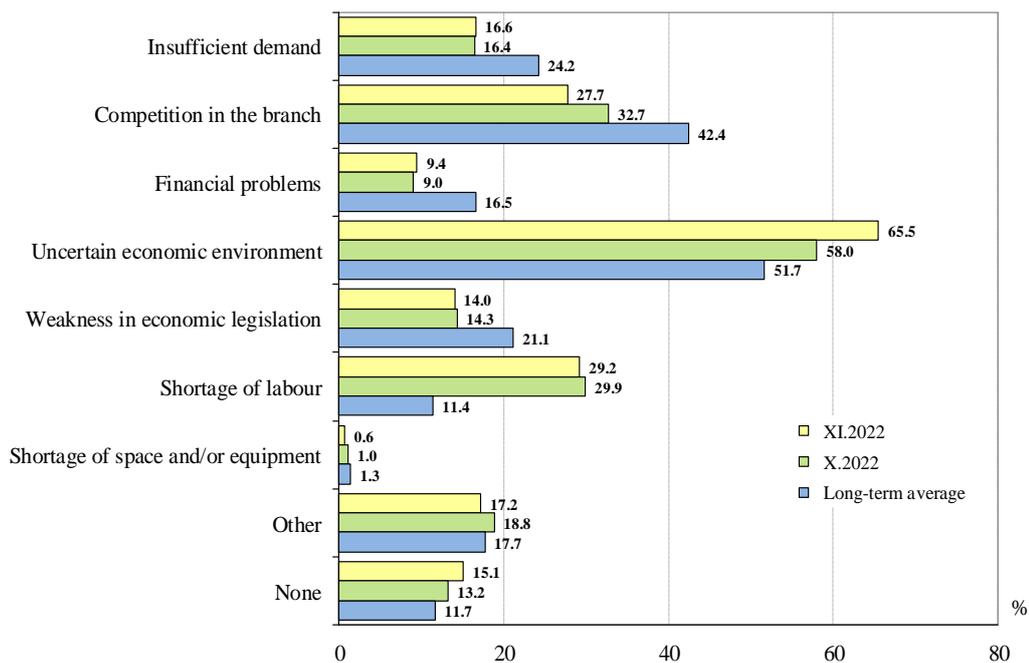


Figure 14. Factors limiting the activity in service sector (Relative share of enterprises)



**Figure 15. Prices expectations in service sector
over the next 3 months**

